

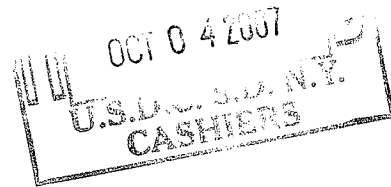
Judge Pauley

ROBERT W. PHELAN (RP-3825)
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NEW YORK, NEW YORK 10006
212-509-9400

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
AMERICAN INSURANCE COMPANY :
 :
 : Plaintiff :
 v. :
 :
 CORN ASSOCIATES LLC :
 and :
 THE FRANKLIN TOWER CONDOMINIUM :
 and :
 KATZ METAL FABRICATORS INC. :
 and :
 OLYMPIC PLUMBING AND HEATING :
 III CORP. :
 and :
 SAMCO PLUMBING, INC. :
 :
 Defendants. :
-----X



JURY TRIAL DEMANDED

RULE 7.1 DISCLOSURE STATEMENT

Please check one box

- ☐ The nongovernmental corporate party, in the above listed civil action does not have any parent corporation and publicly held corporation that owns 10% or more of its stock.
- ☒ The nongovernmental corporate party, American Insurance Company, in the above listed civil action, is a subsidiary of Allianz of America, Inc., Novato, California, which owns all of its capital stock.

10/3/07
Date


Robert W. Phelan, Esquire

Counsel for: American Insurance Company

Federal Rule of Civil Procedure 7.1 Disclosure Statement

(a) WHO MUST FILE: NONGOVERNMENTAL CORPORATE PARTY. A nongovernmental corporate party to an action or proceeding in a district court must file two copies of a statement that identifies any parent corporation and any publicly held corporation that owns 10% or more of its stock or states that there is no such corporation

(b) TIME FOR FILING: SUPPLEMENTAL FILING. A party must:

- (1)** file the Rule 7.1(a) statement with its first appearance, pleading, petition, motion, response or other request addressed to the court, and
- (2)** promptly file a supplemental statement upon any change in the information that the statement requires.

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FIREMAN'S FUND INSURANCE COMPANIES

KEY FINANCIAL INDICATORS (\$000)

Period Ending	Statutory Data					
	Direct Premiums Written	Net Premiums Written	Pretax Operating Income	Net Income	Total Admitted Assets	Policyholders' Surplus
2000	18,887	...	714	572	10,928	9,495
2001	19,103	...	684	461	11,476	9,956
2002	21,859	...	599	1,265	12,262	11,194
2003	24,713	...	312	179	11,698	11,400
2004	21,688	...	379	251	13,212	11,647

Period Ending	Profitability			Leverage			Liquidity	
	Comb. Ratio	Yield (%)	Pretax ROR (%)	NA (Inv) Lev	NPW to PHS	Net Lev.	Overall Liq. (%)	Oper. Cash-flow (%)
2000	...	6.6	...	7.6	...	0.2	762.8	109.8
2001	...	5.9	...	9.2	...	0.2	754.8	487.0
2002	...	4.7	...	8.4	...	0.1	999.9	35.8
2003	...	2.1	...	6.4	...	0.0	999.9	106.5
2004	...	2.8	...	7.0	...	0.1	844.0	221.6
5-Yr	...	4.3	0.0

(*) Data reflected within all tables of this report has been compiled from the company-filed statutory statement. Within several financial tables of this report, this company is compared against the Commercial Casualty Composite.

BUSINESS REVIEW

For a detailed discussion of business review, refer to the report of Fireman's Fund Insurance Companies.

Direct Premium Writings By Product Lines: Direct Premiums written at the last year end totaled (\$000) \$21,688, and were distributed as follows: Homeowners, \$6,887; Inland Marine, \$1,662; Prod Liab Occur, \$1,676; Oth Liab Occur, \$1,437; All Other, \$26.

Major 2004 Direct Premium Writings by State (\$000): New Jersey, \$21,688 (100.0%).

CAPITALIZATION

For a detailed discussion of capitalization, refer to the report of Fireman's Fund Insurance Companies.

HISTORY

This company was incorporated under the laws of New Jersey on October 21, 1983 and began business on May 18, 1984. Paid up capital of \$3,500,000, consists of 35,000 shares at \$100 par value each. The company has 35,000 authorized shares.

MANAGEMENT

The company was a wholly-owned subsidiary of National Surety Corporation, a subsidiary of Fireman's Fund Insurance Company. On June 28, 1991, both Fireman's Fund Indemnity Corporation and Parkway Insurance Company (formerly Fireman's Fund Insurance Company of New Jersey) became wholly-owned subsidiaries of Fireman's Fund Insurance Company. Complete financial control of the latter now resides with Allianz Global Risks US Insurance Company (formerly Allianz Insurance Company), an indirect subsidiary of Allianz AG, Munich, Germany.

Officers: Chairman of the Board, President and Chief Executive Officer, Charles M. Kavitsky; Executive Vice President and Chief Operating Officer, Joseph J. Beneducci; Executive Vice President and Chief Financial Officer, Jill E. Paterson; Senior Vice President, Secretary and General Counsel, Janet S. Kloenhamer; Senior Vice President and Treasurer, Linda E. Wright; Vice President and Controller, Louise Jordan.

Directors: Joseph J. Beneducci, Phillip M. Bowen, Charles M. Kavitsky, Janet S. Kloenhamer, Jill E. Paterson, William M. Savino.

REGULATORY

An examination of the financial condition was made as of December 31, 2003 by the Insurance Department of New Jersey. An annual independent audit of the company is conducted by KPMG, LLP. An annual evaluation of reserves for unpaid losses and loss adjustment expenses is made by David R. Heyman, Vice President and Actuary, Fireman's Fund Insurance Company.

Territory: The company is licensed in New Jersey.

REINSURANCE PROGRAMS

For a detailed discussion of reinsurance, refer to the report of Fireman's Fund Insurance Companies.

BALANCE SHEET

ADMITTED ASSETS (\$000)

	12/31/04	12/31/03	'04%	'03%
Bonds	9,848	6,384	14.1	24.4
Common stock	...	734
Cash & short-term invest	1,250	4,560	9.5	63.3
Other non-affil inv asset	817	...	6.2	38.3
Total invested assets	11,914	11,678	90.2	99.3
Accrued interest	77	35	0.6	0.3
All other assets	1,221	45	9.2	0.4
Total assets	13,212	11,698	100.0	100.0

LIABILITIES & SURPLUS (\$000)

	12/31/04	12/31/03	'04%	'03%
All other liabilities	1,365	298	11.8	2.5
Total liabilities	1,365	298	11.8	2.5
Capital & assigned surplus	5,125	5,125	38.8	43.8
Unassigned surplus	6,522	6,275	49.4	53.6
Total policyholders' surplus	11,647	11,400	88.2	97.5
Total liabilities & surplus	13,212	11,698	100.0	100.0

SUMMARY OF 2004 OPERATIONS (\$000)

Statement of Income	12/31/04	Funds Provided from Operations	12/31/04
Premiums earned	...	Premiums collected	1,290
Losses incurred	...	Benefit & loss related pmts	665
Underw expenses incurred	54	LAE & underw expenses paid	7
Net underwriting income	54	Underw cash flow	631
Net investment income	325	Investment income	405
Pre-tax oper income	379	Pre-tax cash operations	1,036
Realized capital gains	0	Income taxes pd (recor)	106
Income taxes incurred	128	Net oper cash flow	930
Net income	251		

Allianz of America, Inc

FIREMAN'S FUND INSURANCE COMPANIES

777 San Marin Drive, Novato, CA 94988

Web: www.the-fund.com

Tel: 415-899-2000

Fax: 415-899-3400

AMB#: 00034

BEST'S RATING

Based on our opinion of the group's Financial Strength, it is assigned a Best's Rating of A (Excellent). The group's Financial Size Category is Class XX. Refer to the Preface for a complete explanation of Best's Rating system and procedure.

RATING UNIT MEMBERS

AMB#	COMPANY	RATING	POOL%
02179	Fireman's Fund Insurance Co	A	P 75.00
02177	American Insurance Company	A	P 11.50
02182	National Surety Corporation	A	P 4.00
02267	Interstate Fire & Casualty Co	A	P 3.50
02176	American Automobile Ins Co	A	P 2.50
02266	Chicago Insurance Company	A	P 1.50
02178	Associated Indemnity Corp	A	P 1.00
02268	Interstate Indemnity Company	A	P 0.80
02843	Fireman's Fund Ins Co of OH	A	P 0.20
02617	Fireman's Fund Ins Co of WI	A	P
03586	American Standard Lloyds	A	r
03682	Fireman's Fund Cnty Mut Ins Co	A	r
01892	Fireman's Fund Indemnity Corp	A	r
02616	Fireman's Fund Ins Co of GA	A	r
02717	Fireman's Fund Ins Co of HI	A	r
02824	Fireman's Fund Ins Co of LA	A	r
11262	Fireman's Fund Ins Co of MO	A	r
11219	Midway Ins Co of Illinois	A	r

RATING RATIONALE

Rating Rationale: The rating applies to Fireman's Fund Insurance Company ("FFIC") and its 9 pooling and 8 reinsured affiliates. The rating reflects